

PMCD/PSB RESPONSES TO THE IG REPORT

It is frightening to realize a major responsibility for the integrity of this Agency rests with Officers who are capable of producing recommendations based on ignorance such as presented in this report. Not only is there an obvious lack of integrity in the data collection and analysis, but a failure on the part of the survey officers to take seriously their roles as protectors of the image of CIA.

It is ironical for those of us in PMCD to constantly hear our managers harp on the theme that standards which apply to nearly 2 million civil employees do not, and cannot, be made to apply to [REDACTED] employees in this Agency. While there are positions and functions in the Agency which are unique to the federal structure, the uniqueness is not all-encompassing of all positions and functions. A majority of position functions fit the normal definition as they would fit in other federal structures, even Department of Agriculture and General Services Administration, much less any of the more exotic agencies. The IG report reinforces the evidence of that attitude in their references to PMCD reliance on CSC standards (another basic falsehood and major gap in the inspection information) and comparison with positions in other agencies from which we do not upgrade our positions (IG suggests that no matter the findings in other agencies, our positions are always better and should be

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allocated at higher grades.)

The primary impression of this report on personnel in this Branch is that it was written from an extremely shallow base of information and makes far reaching recommendations with little substantiation beyond the opinions of the writers.

In summary, each commenting analyst presents thoughts about the IG report which appear to fit the following pattern.

A. The report was written from an obviously biased point of view.

1. The Inspectors developed their opinions and attitudes about PMCD prior to commencement of the survey. The survey report reflects substantiation of those preconceptions.

2. Show "why", not whether OP services (especially PMCD) are less than satisfactory.

B. The IG team did not bother to make itself cognizant of the field of information which it criticized.

1. Ignorance of the classification process and its place in management is reflected throughout the report.

2. Classification as a function of management is not addressed.

3. References to classification in other government agencies are incompletely

and improperly related to Agency position classification, (e.g., the reference to the ERDA system is incomplete, omitting the important control and CSC review functions.)

4. Mismatch of personal grade and position grade is endorsed as necessary. In any other Agency of the U.S. Government, this would be illegal, here it is not even considered unethical.

C. None of us is sure (is the IG?) whether this report suggests decentralizing classification authority to the Deputy Directors. It is implicit in the suggestion to delegate authority to authenticate staffing complements, to include structure and position grades so long as they remain within the general constraints of ceiling, average grade and upper level authorizations.

D. The conclusions and recommendations are not supported by the purported facts. The "facts" are severely lacking in credibility.

E. Each analyst notes that management achieves classification objectives by lying about their positions ("snow") to PMCD, and by inference to their own channels of command in order to get what they want. This certainly speaks well for the integrity of our senior personnel, including the IG Staff which tended to support the manager in this report.

F. It appears that the IG is attempting to set up a framework in the action recommendations in which the components will be rather free wheeling in their control of staffing complements and position grades, but the D/Pers will retain the responsibility for the integrity of the system. Authority is placed in the components, responsibility in OP. If for no other reason, the D/Pers should fight for at least better definition of the authority/responsibility relationships in the discussions relating to possible implementation of the report recommendations.

G. The team either did not understand, did not try to learn, or chose to ignore the analytical process necessary to the performance of PMCD functions.

Examples:

1. Management unwillingness to accept PMCD findings is a reflection of the low grades and therefore, the abilities of the PMCD analysts.
2. PMCD places too much reliance on use of CSC standards. In fact the standards can only be used to obtain information about occupational fields, not to set grades in this Agency.
3. PMCD relates positions with unrelated functions for grade comparison, grade setting purposes. Levels, not specific functions, are the critical data used in such analysis.

H. The IG team suggests that implementation of their recommendations would serve to reduce friction between PMCD and the components and to remove the greatest portion of the adversary relationship which now exists. PSB analysts are unanimous in the reaction that implementation of the recommendations, with PMCD playing an advisory review function, will serve to increase adversary relationships. The recommendations do not serve to establish a common ground of procedure or philosophy about position management/position classification between PMCD and the managers. Such a common understanding of the meaning and objectives of the PMCD functions is requisite to removal of a portion of the current adversary relationships. Until Agency managers and PMCD have a common goal in relation to position classification there does not appear to be a means to reduce the adversary relationship.

Each PMO, to one extent or another addresses various sections of the IG report leading up to the conclusions and recommendations. The pertinent trend of the comments is included in the above summary.

A consensus of reactions to the conclusions and recommendations is as follows:

IG CONCLUSION G-1: Authority should be delegated to Deputy Directors to modify

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and authenticate staffing complements (T/O's) within the limits of Directorate allocations of staff manpower ceilings, senior slots (GS-14 and higher) and average grade. This authority should be qualified by a requirement that recommendations by PMCD representatives regarding changes in the grades of existing positions or the assignment of grades to new or significantly altered positions be considered by component managers and, if unresolved, by the Deputy Director before such changes are affected.

a. To accomplish the second part of this it is essential that PMCD be involved before significant reorganization is effected. Provisions should also be included for PMCD, when deemed necessary by the D/Pers, to review and reassess the grades of new or significantly altered positions after six months or so of experience with the new organization. In some cases the D/Pers may decide that a survey of all positions in the new organization is needed. PMCD recommendations arising from such position reviews or reorganization surveys (or from periodic and special surveys discussed in Conclusion G-5 below) should be considered by the component manager and, if unresolved, by the DD within a specified, short time interval after the recommendations are made.

b. Since supergrade positions are directly controlled by the DCI, and since a new system for handling supergrade problems is being considered by the

Management Committee, they have not been specifically included in this conclusion. Consideration should be given, if this proposal is adopted, to similar modification of the way supergrade positions are handled, however.

PMCD

This conclusion uses the terminology "staff manpower ceiling". Does that statement include contract and recognize single ceiling?

The conclusion goes on to suggest a role for PMCD review at the component level, subject to DD appeal and resolution.

This part of the conclusion is one of those in which the responsibility for position review is vested in PMCD and D/Pers with no authority to implement determinations. It would appear that the recommendation for the Director of Personnel to monitor classification decisions of the Deputy Directors and to recommend DCI action on unresolved cases is a not too subtle mechanism for divesting the DD's of any responsibility, and accountability for self-generated job grading abuses that would be discovered should the Agency be subject to external classification audit.

IG Conclusion G-2: The D/Pers acting for the DCI, should be required to monitor Directorate and DCI Area adherence to equal pay for equal work (job/pay equity) principles and to allocated manning, average grade and senior slot limits, and to recommend appropriate DCI action in cases where he cannot resolve differences with the DD concerned.

PMCD This conclusion represents a contradiction in that the report, in its body, suggests that PMCD should not be concerned with structure or the need for positions if they are within the authorized limits. Without such analysis and the authority to question the factors related to such analysis, PMCD and the D/Pers will not be in a position to recommend appropriate actions related to equal pay for equal work, allocated manning, average grade and senior slot limits.

On the one hand the IG is suggesting that PMCD as an action arm of the D/Pers should merely suggest grade levels to component managers within the equal pay for equal work principles, subject to appeal only to the DD concerned. On the other, PMCD for the D/Pers should be authorized to conduct analyses similar to those presently attempted in order for the D/Pers to report inequities to the DCI for resolution. Rather than defining and tightening authority and responsibility levels, the IG suggestions present an even murkier situation than exists. Lines

of authority and appeal will still need to be refined.

IG

Conclusion G-3: In the area of position grade evaluations, PMCD should:

- a. Develop and maintain standards for position evaluation use.
- b. Participate in and advise on all position evaluations.
- c. Insure that unresolved differences with component managers over position evaluations are brought to the responsible DD for decision.
- d. Inform the D/Pers in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies - e.g., pay scales for senior secretaries.

PMCD

Development of standards under such conditions would serve no purpose since each Directorate would presumably require its own standards within criteria developed in that Directorate. It would be next to impossible to maintain continuity of standards across Directorate lines to ensure grade/pay equity.

Participation in and giving advice on position evaluations would serve little purpose except in those instances in which the component and Directorate managers cannot make their own decisions. Does not address the question of, with whom the participation will take place, presumably an individual designated by the component manager to conduct the reviews, with PMCD input.

Again recourse to the affected DD as the appeal authority will serve no useful purposes for significant conflicts of evaluation between PMCD and the component managers. As mentioned above, although such conflicts could be taken to the D/Pers, the futility of the effort in terms of the D/Pers actual responsibilities and authorities appears evident.

Same as above. The IG suggests somehow that their suggested framework and methods for accomplishing classification actions will reduce the adversary situation which currently exists. This responsibility of PMCD to go to the DCI through D/Pers for significant conflicts will increase the adversary level, and probably not reduce the frequency.

IG Conclusion G-4: With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- a. Establish staffing complement formats.
- b. Compile, produce and disseminate staffing complements authenticated by the DD's and produce and disseminate related management information reports.
- c. Report to the DD concerned and to the D/Pers any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorate's allocations of manning, senior slots or average grade.

PMCD

The above set of functions could, and properly should be handled by a small clerical staff at GS-05 to GS-06 with perhaps a GS-07 supervisor. An alternative could be inclusion of the functions with appropriate staff adjustments in the Control Division, Statistical Reporting Branch.

IG

Conclusion G-5: PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

- a. PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.
- b. The D/Pers should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.
- c. Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance.
- d. During all surveys, PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in position grades.

e. PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

PMCD We generally agree with conclusion G-5a. A reordering of priorities is in order and PMCD should be in full agreement with the need to adjust priorities to fit needs of the Agency. One exception to this might be that components which have not been reviewed at all during the current review cycle should receive priority treatment in order to form a documentation base. This agreement is premised on an assumption that surveys would serve a valid purpose.

Without authority to implement valid recommendations arising out of surveys, it is questionable that the D/Pers would need the authority to initiate surveys. In the total context of the conclusions and recommendations contained in this report, the D/Pers would be required to wastefully maintain a staff of professional classifiers with all the talents and abilities currently desirable (from an OP and PMCD point of view) to serve rather empty ends. The general framework into which the complete package of IG conclusions and recommendations fit should be carried even further to include complete decentralization, with classification teams at the Directorate level, and a small (very small?) staff of reviewer

classifiers located in the OP or elsewhere to monitor for "significant" deviances in application of classification actions throughout the Agency, including an authority for on site audit of programs and practices.

Agree that assignment of functions and survey scheduling in PMCD should be balanced with the need to meet immediate needs of the components. The D/Pers and DDA may again have to address the full impact of work requirements in PMCD in relation to the staff that must be made available to provide the support, services and analysis required to maintain work on an acceptable, current basis.

G-5d is in conflict with G-2. G-2 at least implies that the D/Pers through PMCD would have a reporting requirement to the DCI to recommend appropriate corrective actions in those cases where job/pay equity, allocated manning, average grade and senior slot limits are at variance with survey findings. G-5d suggests that PMCD restrict its reviews and action recommendations to grades of positions except in those cases where structure or managerial style can have an impact on the grades of positions. To restrict PMCD evaluations and recommendations as suggested in G-5 would preclude the ability to perform the functions suggested in G-2. Additional clarification is required.

Again the performance of PMCD initiated surveys or audits, and the writing of standards would have no significant meaning and need not be performed should the delineation of authorities, with or without responsibilities, be implemented in this report. The majority at least of the manpower currently allocated to the PMCD effort could be used more constructively and efficiently in other OP functions. However, assuming maintenance of approximately current staffing levels and performance of the functions suggested in G-5e, the authority to initiate such studies will be required.

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of improved position evaluation standards and methods similar to the Factor/Benchmark system now being developed by CSC for government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

PMCD

We agree. Activation of the program has begun. Interested Agency management should not expect the Agency system, in whatever form it takes, to be fully implemented much ahead of the CSC 1980 target.

IG

Conclusion G-7: The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

a. It is important to note that PMCD manning must permit prompt and rapid service of component needs.

b. A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.

c. Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the

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tours can be long enough for the rotating personnel to develop and use job classification expertise.

PMCD Generally these conclusions are accepted by the responding PMO's. There are questions about the levels and kinds of personnel who should be involved in the rotations in and out of PMCD, depending on the number of specific IG recommendations implemented and the nature of the work remaining in PMCD. There is question as to whether there is a benefit to be gained at all on the part of long term or potentially long term PMCD careerists assigned to components. Those who commented suggest that where this has been tried in the past, there has been no specific gain or relationship for the individual or PMCD functions.

RECOMMENDATIONS:

IG Recommendation No. 7: That the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before affecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade.

PMCD Implementation of this recommendation constitutes abolishment of the position classification/position management function in CIA. Implementation

of Recommendation No. 7 should be accompanied by abolishment of PMCD, transfer of positions at clerical grade levels to CD/SRB for the maintenance of records and transfer of professional PMCD staff to appropriate positions.

IG Recommendation No. 8: That the Director of Personnel monitor Directorate and DCI Area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

PMCD This recommendation constitutes assignment to the GS-18 D/Pers, approximately a GS-12 function, with total lack of authority. By the same token, should the Agency be subjected to² external review, and at all criticized for its classification/position management programs, the D/Pers would have to bear the brunt of the criticism although he would have been placed in a position of impotence in relation to his abilities to overcome the inadequacies of the system(s).

IG Recommendation No. 9: That the Director of Personnel revise PMCD procedures, position surveys, scheduling, and manpower as indicated in conclusions G-3 through G-7.

PMCD As discussed above, implementation of the recommendations in this report and the implicit recommendations contained in conclusions G-1 through G-7 constitutes proper grounds for abolishment of PMCD. Therefore this recommendation has no relevance.

ADDENDUM TO PSB COMMENTS RE:
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Originator:



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ADDENDUM

Recommendations for Strengthening the Role of PMCD in Fulfilling Its Mission

Problems

The failure of management to vest PMCD with authority to implement its classification findings without the concurrence of component managers has resulted in the perpetuation of misallocation which in addition to violating statutory requirements contributes to poor management by distorting the grade structure of an operating component which in turn can lead to severe morale problems, improper ~~lines~~^{ways} of promotion and poor employee utilization. The presence of administrative controls such as staff ceilings and maintenance of position average grade do not, in themselves, ob~~scure~~^{scure} such problems as grade inequities, excessive layering, unbalance of professionals to clerical positions, and supervisory to worker positions, etc.

Solutions

1. Agency management should recognize that a centralized position classification program not only exists but also is feasible in terms of supporting sound management goals. It should be further recognized that PMCD is the primary instrument for administering a centralized position classification program, and therefore should be vested with the authority to discharge its

responsibilities. The exercise of this authority would not prohibit component managers from job engineering compatible with employee's qualifications and growth potential, nor from revising organizational structures and functional groupings consistent with program objectives, and sound management principles.

2. Implementation of PMCD findings relative to individual classification requests and surveys should be accomplished after a reasonable period has elapsed to permit discussion with component managers in an attempt to reconcile differences of opinion, and to resolve areas of disagreement to the maximum extent possible without violating the spirit, intent and integrity of the Agency's position management program. Implementation would be made with or without the concurrence of component managers subject only to compliance with administrative controls, and the authority reserved by the DCI over supergrade and SPS allocations.

3. Following implementation, senior officials at Directorate or Office Head level would have the right of submitting a formal appeal in writing to the Director of Personnel of contested allocations for positions through GS-15.

The appeal would set forth factual reasons why the PMCD classification decision is opposed. At this juncture, the Director of Personnel would seek the advice of PMCD regarding the validity of the operating component's rationale. The Director of Personnel would then judiciously weigh the evidence presented by PMCD and the operating component, and render a decision binding on all parties concerned. His decision would not be subject to further appeal through the hierarchy of Agency management, as such decisions would be made in his capacity as Executive Agent of the DCI on position classification matters only. However, the Director of Personnel would notify the DCI of the appeal decision rendered. In turn, the DCI could exercise his statutory authority to suspend the implementation of an adverse classification decision, and direct further review of the facts bearing on the appeal case.

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3. The Office is organized in standard pyramidal fashion, so far as the main personnel functions are concerned. A chart of its organization and key personnel appears on the next page. The Director, Frederick Janney, has a broad intelligence and management background, having served at various times in his career in three of CIA's four Directorates. [REDACTED]

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[REDACTED] has served in a number of key positions in the Office of Personnel for many years, and through his work has been associated with most important personnel activities of the Agency. Because of the particular sensitivity of adverse personnel actions on the well-being of the Agency there is a senior officer assigned directly to the Director of Personnel (Special Activities Staff) who serves as an advisor and manager of difficult personnel problems. His work cuts across all Branches within OP and, in fact, serves to support the personnel work of most offices throughout the Agency.

Survey Objectives and Methodology

4. This survey was accomplished by a team headed by [REDACTED]

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[REDACTED] The survey was an issue-oriented inspection rather than a general study of management aspects of the Office. The objective was to develop, for the Director of Personnel and higher authority, information on the effectiveness of the major services provided by his Office and on the extent, if any, to which Office of Personnel activities could raise

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questions regarding CIA involvement in illegal or inappropriate domestic actions; to identify the sources of problems thus raised and to make recommendations for solutions wherever feasible. It was intended that the inspection develop answers to the following questions:

- a. How well does the Office of Personnel meet its customers' principal needs for personnel services?
- b. Why are major customer-perceived needs for Office of Personnel services less than fully satisfied?
- c. What should be done to reduce or eliminate customer's problems with services of the Office of Personnel?
- d. Could any Office of Personnel domestic activities be regarded as illegal or inconsistent with CIA's charter and, if so, what should be done to reduce or eliminate the possibility that they might be so regarded?

5. The inspection was guided throughout by these key questions. As a first step, the Inspection Team received briefings on the functions of the Office of Personnel by its senior executives. This provided a brief introductory look inside the Office as well as a chance to become conversant with the programs now underway, the players involved and the terminology used. We then reviewed the grievance files in the Office of the Inspector General and, concurrent with this, carried out extensive interviews with nearly all the key Agency executives in the Washington

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area. In all, the heads or deputies of 40 Offices, or the equivalent, were interviewed. The objective of this phase--which we feel was realized--was to become oriented with the Office of Personnel as perceived by others.

6. Having catalogued the problems--and the kudo's--which arose in the initial investigation, a set of hypotheses were developed which were to be tested through an in-depth survey of the Office of Personnel itself. At this point eight areas of special concern had been identified--either because they figured frequently in customer complaints, or because recommendations set forth in the Rockefeller report identified these as areas of special public concern. Some of the work duties represented by these areas of concern are handled entirely within a single component of Office of Personnel--for example, outplacement service. Other areas, however, not only cut across components within the Office of Personnel but also required further study outside that Office--for example, the human resources computer program. Once underway, the Inspection Team interviewed over 150 staff members of the Office of Personnel, studied the files in most major components of these Offices and, in many cases, studied collateral academic and professional research on such issues as the trends in personnel research in private industry, the scope and duties of the modern personnel office, and so on.

7. It must be emphasized that the inspection did not make a major effort to examine, report or recommend on the internal

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organization and management of the Office of Personnel itself. Nor did it delve deeply into services provided by the Office which are generally perceived by Agency managers to be thoroughly satisfactory. Most of the activities of Benefits and Services Division, the Credit Union, the Special Activities Staff (adverse personnel actions), and the Contract Personnel Division came in that category. In general, the survey did not attempt to interview all personnel in any unit, nor sub-components below the Branch level. The fact of the survey was widely known throughout the Office of Personnel, however, and Inspectors were available for consultation with anyone.

8. Several areas were initially thought by the Team to require extensive study but were later dropped as not having the problems originally thought. In that category was the CIA Retirement System (CIARDS) which is generally regarded as well managed and serving Agency needs in an appropriate fashion. Conversely, initially we considered that the Position Management and Compensation Division (PMCD), having just undergone a review conducted under contract by a very senior former employee, should not be scrutinized intensively. However, a rather universal chorus of complaints by Agency managers about PMCD compelled us to revise this decision. While we by no means found evidence that all such complaints were valid, some of the more significant recommendations of the survey concern that component.

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Clerical Career Management

35. The Office of Personnel's responsibility in clerical career management is focused on establishing clerical General Schedule (GS) pay standards. The topic, discussed in more detail in Tab F, is treated separately from the Position Management and Compensation Division (PMCD) discussion in the following Tab because managers express considerable concern over Agency clerical, particularly senior secretary, grade policies.

36. The senior secretary grade subject was the topic of several Management Committee discussions in 1974/75. At Management Committee direction, PMCD surveyed 62 senior secretary positions for possible upgrading. PMCD concluded that CIA secretaries receive salaries comparable to or better than secretaries in private industry and other government agencies who perform similar duties. The PMCD survey also highlighted other problems, unrelated to salary, which cause secretarial dissatisfaction, e.g., underutilization, management attitudes, etc.

37. The IG Survey Team concurs in the PMCD findings and suggests that the management course recommended in Tab H include a section on clerical career management to better inform managers about the rationale behind clerical pay scales and about work-related problems which cause clerical dissatisfactions unrelated to salaries.

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Position Management and Compensation

39. There should be no question of the need for some system to establish and monitor job/pay equity--the equal pay for equal work principle. The Position Management and Compensation Division (PMCD), which represents to OMB and CSC an active, demonstrable effort to enforce CIA's policy of general conformance with the Classification Act, is now the heart of that system. In a broad sense, the system is fairly effective in achieving its objective; however, PMCD's contributions vary by grade and type of position. It is very effective in its influence on secretarial and clerical positions, but relatively ineffective on positions at grade GS-14 and above. This does not mean that job/pay equity is necessarily out of balance at higher grades, but only that PMCD, despite determined and sometimes irritating efforts, has little real voice in such determinations.

40. The Agency is also required by OMB to prevent escalation in its average grade and in its numbers of senior and supergrade positions. PMCD's responsibilities and authority in enforcing adherence to limits on average grade, senior slots (i.e. positions at grades of GS-14 and above) and supergrade positions are unclear. The Director of Personnel monitors the Directorates' adherence to these limits and tries to prevent excesses through use of PMCD and his formal authority to refuse authentication of Directorate-developed staffing complements--sometimes called Tables of

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Organization (T/O's). His real authority is somewhat ambiguous, however. He is empowered to monitor Directorate adherence to average grade limits, for example, but only to advise on where compensating changes may be made. Deputy Directors bear the primary responsibility for adherence to this and other limits and have most of the decision authority involved. PMCD's influence on their decisions is limited and its share of blame or credit for Agency performance is uncertain. It is important to note, however, that upward grade creep in CIA has not been significantly different from that experienced in most other Federal agencies.

41. The fact that PMCD is, among Agency managers, the least popular organization in the Office of Personnel should be no surprise; PMCD's functions and its influence on official staffing complements tend to restrict a manager's flexibility in organizing his component and providing incentives and rewards for his people. The nature and consistency of comments about PMCD by component managers point up, however, the existence of more fundamental problems than those created by this adversary relationship. These problems are discussed and analyzed in more detail in Tab G. They include managers reservations, which we share, about the comparisons used by PMCD to classify positions, PMCD's ability to understand the unique character of some component positions, the time spent in negotiating differences in how a few positions should be classified and the fact that unresolved

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differences are apt to stay unresolved. Moreover, PMCD's manpower is limited--at least in relation to its assigned responsibilities--and its scheduling is relatively inflexible. This leads to long delays--sometimes a year or more--in obtaining PMCD reviews of component reorganizations. These delays, and the unresolved differences mentioned above, lead to the existence of numerous conflicting de facto and official T/O's.

42. PMCD conducts self-initiated periodic surveys of Agency components to review position classifications and to advise managers on how their organizational structures could be improved. Component managers are usually unimpressed with such advice from reviewers lacking both managerial experience and substantive knowledge of the component. Our investigations of several recent periodic surveys indicated that few changes were really effected in individual position grades and few important PMCD-originated improvements in organization structures occurred. We concluded that the time and effort required by the surveys, at least on the three-year cycle now being attempted, is not justified by their results. We also believe that PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.

43. In practice, managers are not now unduly restricted by PMCD's recommendations or by its influence on their staffing

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complements. Undesired recommendations are frequently negotiated away or ignored. No effective system of enforcement or appeal has been formalized to deal with outstanding differences, and various mechanisms, necessary for other reasons, provide means of avoiding many of the restrictions in an unsatisfactory Table of Organization. If a controversy attracts the attention and support of a Deputy Director, his decision usually governs the actual outcome, although not necessarily the official staffing complement.

44. It has been argued that PMCD, as a component of the Office of Personnel, is buried in the Agency management hierarchy and does not have enough clout to operate effectively and to enforce its decisions (assuming it has come to rational decisions which should be enforced). It has been suggested that the function be attached to the Office of the Comptroller. We do not think the placement of the function is a significant factor in improving its accomplishment. If the function were performed competently with a greater degree of management understanding, if PMCD's authority were understood and spelled out in Agency regulations, and if its decisions could be appealed and reviewed by higher authority, then we believe it could function effectively where it is.

45. The main problem with the present Director of Personnel/DDA appeal route lies in the number and complexities of the dis-

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puts. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates--e.g., the Comptroller or the Inspector General--would face the same set of problems.

46. Efforts are being made, as they have been for years, to reduce the number of differences by improving the quality of PMCD's judgments, improving managers confidence in those judgments and, through negotiations at various levels, to reduce unresolved differences to those few critical cases perhaps worthy of Management Committee action. We applaud the efforts to improve the quality, and thereby the acceptability of PMCD judgments. We find little new in these efforts, however, and little in the outcome of similar efforts in the past to justify an expectation that achievable improvement, however desirable, will solve the problems by itself.

47. We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved by better, semi-rotational PMCD staffing and development and implementation of better, more understandable classification standards. We believe these steps would help, but that most of the fundamental problems would remain.

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The other choice is--in addition to these steps--to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions.

48. Whether transfer of staffing complement authenticating authority to the Deputy Directors would degrade, improve or leave unchanged the Agency's performance in job/pay equity and adherence to average grade and other manning restrictions is bound to be a controversial question. Some would regard it as setting the fox to guard the chickens. Others would contend that this, in many cases, describes the present system, and, if coupled with active and adequate monitoring by the Director of Personnel, degradation in performance is by no means an inevitable result. The more optimistic would even contend that providing control of staffing complements to those now responsible for holding average grade, senior slots and supergrades within their allocations would remove any ambiguities that may now exist as to where that responsibility lies; would provide them unambiguous decision authority over a tool important in carrying out these responsibilities, and would improve the relationship between staffing complements and reality by insuring that disputes are decided. PMCD influence on component managers during negotiated settlements might even be increased and managers might become a little less defensive and a little less inclined to employ "snow" tactics.

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49. No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent. We are persuaded, however, that the risks of serious degradation are not great--and return to the present system would be possible if we are proven wrong. The shift could be an improvement, perhaps an important one, over the present system. We believe other possible changes in the system, such as total decentralization or creation of a supra Directorate appeal authority to be undesirable, impracticable, or both. We therefore conclude that the transfer of authority should be made. The details of our proposals are provided in the Conclusions and Recommendations (Nos. 7, 8 and 9) starting on page G-26 of Tab G.

Customer Perceptions of Agency Personnel Policy Development

50. There is a widespread perception among Agency managers that the Office of Personnel, although a very responsive and generally effective service organization, lacks initiative and innovation in developing solutions to long-standing Agency personnel problems. The more important of these perceived problems were selected as issues for examination in this survey and have been discussed in preceding sections of this report. It is evident, however, that the fact of the perception, itself, is a serious problem.

51. The perception is neither without validity nor wholly accurate. That the Office is not the initial, apparent spark-

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TAB G

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POSITION MANAGEMENT AND

COMPENSATION

INTRODUCTION

1. The Position Management and Compensation Division (PMCD) is the Director of Personnel's principal agent in meeting his responsibility for authenticating staffing complements--often called Tables of Organization (T/O's)--and revisions thereto. These staffing complements establish the official numbers, grades, titles and interrelationships of job positions in Agency components. To perform this function, PMCD conducts desk audits of Agency positions, either in response to a component request that a particular position be reviewed (usually in the hope of upgrading it) or as part of a survey of the organization itself. Such surveys may occur upon request, when managers need authentication of a significant reorganization of an existing component or need a staffing complement for a new organization. PMCD is also chartered to conduct periodic position surveys of all Agency components.

2. PMCD's objective during its position evaluations is to insure, within reasonable limits, that the compensation for positions of similar levels of difficulty and responsibility are consistent within the Agency and with the rest of government. Achievement of this job/pay equity ideal is circumscribed by

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requirements that, within a Directorate, reclassification of positions must not (without DCI approval) increase the total number of senior slots (e.g. positions at grades of GS-14 and above) or the average grade of all positions. If PMCD's evaluations of job/pay equity lead to upgrading of some positions, others, at least within the Directorate, must be downgraded--perhaps despite job/pay equity--to maintain the status quo. Similarly, the Director of Personnel is charged with evaluation of Directorate proposals to change the number, grade or allocation of supergrade positions. PMCD becomes involved in such evaluation and is influenced during its position evaluations by the fact that the totals of present staffing complements include more supergrade positions than OMB has authorized to the Agency.

3. The objectives of PMCD's periodic position surveys are to update position information--in order to improve evaluation standards--and to make necessary adjustments in the grade of individual positions and the position structure as a whole. This last requirement on PMCD puts it in the position, in effect, of advising a manager on how he should organize his component in order to accomplish his mission.

4. We formed judgments on the effectiveness of PMCD's contributions toward achieving job/pay equity on the basis of discussions within PMCD and our analyses of component managers'

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comments and of recent PMCD surveys and survey reports. We conclude that PMCD's contributions vary by grade and type of position.

a. PMCD's enforcement of job/pay equity for secretarial and clerical positions is very effective despite frequent and strong management opposition.

b. PMCD is generally effective, and usually provides a useful and welcome service to managers, in establishing and enforcing job equity for multiple-copy technicians.

c. PMCD is usually effective, despite management pressure for more headroom, in maintaining job/pay equity for junior and middle grade analysts, case officers and support officers--but complaints abound in individual cases.

d. PMCD's contributions toward establishing and monitoring job/pay equity are relatively ineffective at grades of GS-14 and above. PMCD's competence to evaluate such positions is frequently questioned, and it is rarely able to prevail in resolving disputes. When it does prevail, its downgrading recommendations sometimes restrict future headroom but have little immediate effect in the sense of causing transfers or demotions of incumbents. As one senior manager put it, the outcome depends on how well the Office "snows" PMCD.

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5. PMCD's responsibilities in the enforcement of average grade, senior slot and supergrade limits are unclear. It is therefore difficult to assess the Division's contributions to this effort. Responsibility for allocation of Directorate staff manpower ceilings (i.e. total positions) among components is assigned to Deputy Directors. Each year they, or their component heads, develop proposed staffing complements which, in their totals, must stay within the numbers of positions at each grade allocated to their career services. Proposed staffing complements which contain revision, or are later revised by a PMCD periodic survey, must be authenticated by the Director of Personnel. If that authentication supports a number of positions, an average grade or a number of senior slots that exceeds the Directorate's allocation, the Deputy Director must take action through the Director of Personnel and Comptroller to obtain approval for the increase. The Director of Personnel may advise on where compensating changes may be made to avoid exceeding average grade limits. But responsibility, and most decision authority, belongs to the Deputy Director concerned. PMCD's responsibility appears to be in support of the Director of Personnel's monitoring, advisory and staffing complement authentication roles. Wherever the blame or credit lies, it is important to note that upward grade creep in CIA is not significantly different from that experienced in most other Federal agencies.

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6. Agency managers express more dissatisfaction with the way the PMCD function is performed than with any other activity of the Office of Personnel. They allege that PMCD personnel do not understand Agency functions and positions, much less their importance and uniqueness, and insist on using Civil Service standards of position classification which many think are not applicable to the Agency. Managers are further disturbed by PMCD delays in reviewing component requested changes and by the time-consuming PMCD periodic surveys which rarely have a significant impact. In judging the validity of such criticism, which reflects the view of a large majority but is not universal, one must take into account the PMCD functions described above. These are control functions which impact on how managers manage. Since PMCD, in its wisdom, frequently disagrees with the wisdom of managers concerning position classification, an adversary relationship develops. Therefore, PMCD does not engender much affection from managers.

7. CIA follows the Civil Service wage and grade structure, but the dynamic nature of the Agency's unique role has resulted in management innovations which are not typical of the Civil Service tradition. Position management in the Civil Service usually involves looking at the function of an organization and constructing a hierarchic structure of components and positions to perform that function. Position management in

not true

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that tradition envisions a fairly stable situation--minor changes in positions and structures can be accommodated based on experience. Such organization structures are effectively utilized by many Agency components including the Office of Personnel. However, many other Agency components are characterized by constant change in mission and priorities. Their organizational structures and assignment of personnel are in constant flux. Such components find the slow and agonizing PMCD way of doing business untenable.

8. In the position classification field, CIA also frequently departs from Civil Service concepts. In the Civil Service tradition a position has certain qualities of responsibility, supervision, educational requirements, etc. Based on the number and level of such requirements a GS grade is assigned to the position. People then compete for the position on the basis of merit and the assigned individual must be promoted within 120 days or removed from the position. Superficially, CIA appears to function in a similar manner. Actually, the Agency career service system operates more on the "rank in the man" than on the Civil Service "rank in the position" concept. Agency managers think in terms of the career progression of people. Individuals are frequently placed in a position not because their talents match all of the requirements of the position description but in order to provide them

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with the opportunity for advancement based on potential and past performance. Then the functions of the position are unofficially modified to best exploit the talents of the incumbent. Thus, there is an inherent incompatibility between PMCD's preoccupation with fixed, unchanging positions and managers' preoccupations with adjusting positions to fit changing people.

9. In reviewing a number of PMCD surveys, we find some validity to the frequently voiced assertion that PMCD bases its judgment too closely on Civil Service precepts. It is concerned with matching grade structures to hierarchic organization structures, sometimes with little understanding of why some organizations are otherwise arranged. It goes to some lengths to correlate CIA positions (which are frequently unique to CIA) with positions elsewhere in the government, e.g., an NSA journeyman computer programmer is a GS-12; therefore, a CIA programmer, who may in actuality work with a much more complex system and set of problems, should be comparably graded. We find many examples where PMCD used comparisons which we judge to be invalid, e.g., we do not think a DCD Contact Officer should be compared with a DDO Case Officer to establish grade equity. We also find examples where PMCD has recommended that a position be abolished in order to improve the professional to clerical ratio with no argumentation provided as to whether

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or not the workload justifies the position. We find many examples where PMCD has recommended that a position be downgraded because the incumbent wasn't performing at the position grade level. It seems to us that the requirement for the position should be PMCD's primary concern rather than the current incumbent's performance.

10. We feel there is some confusion in PMCD as to its appropriate role, i.e., whether to ensure job/pay equity or to control the rise in average grade and the like. As mentioned above, these are somewhat conflicting goals. Regulations require that average grade and senior slots be held constant within Directorates as a whole. PMCD apparently attempts to enforce such restraints within each component, sometimes to the detriment of job/pay equity. Recommendations contained in its survey reports frequently result in an overall reduction in average grade, senior slots and supergrade positions. We believe that, at least at the component level, PMCD should only be concerned with job/pay equity, i.e., in reviewing positions, it should call it as it sees it; controlling average grade is a higher management concern.

11. The intent of the above discussion is not to lay the groundwork for a recommendation that we abolish our system of position management and compensation or that we do things in a radically different manner. Since we are a government agency,

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our options are limited. The intent is to indicate the culture in which such a system must operate and some of the problems it faces.

12. CIA was exempted from the Classification Act of 1949, but in that year Director Hillenkoetter informed the Civil Service Commission that in our internal personnel policies we would follow the basic philosophy and principles of the Act. In October 1962 the Acting Director reaffirmed the Hillenkoetter policy in a memorandum. This policy is set forth in various Agency regulations and PMCD is our primary internal control for ensuring that we adhere to the classification principles of the Classification Act. Under its legal exemption, CIA could seek Executive approval to establish its own system of grade structure and wage scales but any system we developed would probably not be approved if it departed dramatically from government-wide pay and classification legislation and policy. There is no prospect at present that a change in system will be sought, and in any case any system utilized by CIA would require management and control to ensure job/pay equity, to respond to concerns over the size of the Federal payroll, and to implement executive policies stemming from those concerns. Therefore, the PMCD function must continue.

13. In the balance of this Tab, the discussion is subdivided into the major issues we believe impact on PMCD and

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its functions. Conclusions and Recommendations designed to improve the performance of PMCD, make it more responsive to component requests for position changes and, hopefully, to create a better working relationship between PMCD and Agency components are provided on pages G-26 through G-31.

14. It is important to note, before embarking on the individual topics, that, prior to the initiation of this OIG survey, [REDACTED] a retired employee, was given a contract to conduct a study of PMCD and to make recommendations designed to improve position management and classification in CIA. The Inspection Team found [REDACTED]'s study of : considerable value in its own deliberations.

PMCD Staffing

15. The position classification profession requires talented individuals. They must have representational qualities, the ability to brief well and deal with people at all levels, good analytical skills and several years training to learn the basics of the profession. We have been told that PMCD was formerly staffed with individuals not having these skills. PMCD management believes the Division is currently staffed with high-quality individuals. Customer comments suggest this may not be universally true, but we were impressed with the enthusiasm and competence of the PMCD personnel we contacted.

16. Despite the general criticism of PMCD, several Agency managers praised the competence of a few PMCD analysts.

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We suspected that these analysts might simply have been unusually lenient, but that was not the case. The well-regarded analysts are experienced in position classification and have dealt frequently over a number of years with the organizations that praised them. As a result they understand those organizations and are responsive to their needs. We have concluded that effective rapport between PMCD and Agency components can be established when a competent PMCD analyst is assigned to an account over an extended period (up to five years). The PMCD analyst learns the structure and problems of the component and the component gains confidence in and respect for the PMCD analyst.

17. At one time, PMCD was viewed as a cradle-to-grave assignment. Its current policy is to maintain a two-thirds permanent cadre staff of experienced professionals and to fill the remainder of its [REDACTED] positions with three-year rotational assignments. The PMCD staff is small in relation to its responsibilities. There are only [REDACTED] full-time classifiers and about [REDACTED] professionals engaged in developing better job standards. Since it takes several years to train a new analyst, we believe the proportion who are permanent staff should be kept at a high level to maintain the professionalism of PMCD. We suggest that the permanent staff be given periodic personnel officer rotational assignments to other Agency components (perhaps two or three during a career) to

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obtain a different perspective and to gain more experience with the problems of other components. This could be coupled with the rotation of other personnel into PMCD either from the Office of Personnel or elsewhere. We understand that the Office of Personnel has made a proposal to obtain personnel from other components and Directorates for rotational assignment to PMCD. The rotation of PMCD personnel to the Directorates and Directorate personnel to PMCD would further mutual understanding and facilitate PMCD working relationships with components, if the assignees' tours are long enough to develop and employ adequate position classification skills.

Centralization Versus Decentralization

18. Some managers argue for decentralized position management and classification. They suggest that professional job classifiers be assigned to Directorates, or even to large components, and that job classification be done wholly within such units. They feel that existing constraints on numbers of positions, senior slots and average grade are adequate to prevent empire building and that, within these constraints, they are best able to decide how to organize their components and assign grade values to positions.

19. Such a decentralized system is in effect at the Energy Research and Development Administration (ERDA) and it reportedly works effectively. However, ERDA uses a standardized

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system for evaluating its relatively homogeneous positions and managers have been trained in and are involved in the application of this system, thus ensuring a certain amount of job/pay equity within ERDA. From this and other examples, it appears that a decentralized system can work satisfactorily in some organizations if systematic position standards have been developed and managers understand those standards and are willing to devote time to their application. Those conditions do not exist in CIA. Position classification is not well understood by CIA managers and over the years we have used a number of different criteria, understood only by PMCD, for evaluating positions.

20. The Civil Service Commission is developing a position classification methodology called the Factor Ranking/Benchmark System and has decreed that all agencies under its cognizance will adopt it by 1980. The system is based on data compiled from the experiences and systems of industry, labor, foreign countries, etc. Those who are familiar with the system are enthusiastic over its potential and cite as its advantages that it is easy to understand, it is a more accurate way to grade positions than systems used heretofore and it requires Operating Component participation, thus leading to agreement and understanding on how positions are classified. PMCD has established a separate branch to develop this system for Agency use.

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21. The Inspection Team was impressed with the potential of this system and urges the early development and use of an Agency version to improve both position classification and communication on that subject between PMCD and components. When the system has been fully implemented and understood, at least one barrier to decentralized position classification in CIA might be removed. Even under those circumstances, however, we doubt that decentralization, in the sense of assigning position classifiers to Directorates, would be desirable in this Agency.

22. Although most authority in CIA is delegated to the Deputy Directors who supervise the four semi-autonomous Directorates, the Agency must operate as a single organization in its relations with the rest of government, including its conformance with manning and staffing rules and restrictions. These require that job/pay equity be maintained and monitored throughout the Agency, not just within Directorates. That monitoring is performed by the Director of Personnel. We believe his central control of Agency position classification experts is essential to the provision of uniform classification standards and to monitoring the application of those standards within the several Directorates. We question, however, whether the Director of Personnel needs to retain authentication control of official staffing complements. That subject is discussed in the next section.

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Authority and Appeals

23. In practice, managers are not now unduly restricted by PMCD's recommendations or by its influence on their staffing complements. Undesired recommendations arising from PMCD periodic position surveys are frequently negotiated away or ignored. No effective system of enforcement or appeal has been formalized to deal with outstanding differences, and various mechanisms, necessary for other reasons, provide means of evading many of the restrictions in an unsatisfactory Table of Organization. For example, the Office of Finance uses Personal Rank Assignments as a means of providing GS-12 Certifying Officers to overseas posts because PMCD will only authenticate a lower grade.[?] PMCD recommendations have somewhat more force when a component initiates a reorganization or tries to upgrade positions. Even in these cases, however, PMCD has on occasion been overruled by the Director of Personnel or the DDA. In practice, if a controversy attracts the attention and support of a Deputy Director, his decision usually governs the actual outcome, although not necessarily the official staffing complement. For example, PMCD recommended that the Personnel Management Group/DDO staffing complement be limited to eleven supergrade positions. Eighteen are now and will be assigned there--the number authorized by the DDO. The extra positions are simply flagged on the staffing complement as awaiting approval.

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24. It has been argued that PMCD, as a component of the Office of Personnel, is buried in the Agency management hierarchy and does not have enough clout to operate effectively and to enforce its decisions (assuming it has come to rational decisions which should be enforced). It has been suggested that the functions be attached to the Office of the Comptroller. We do not think the placement of the function is a significant factor in improving its accomplishment. If the function were performed competently and with a greater degree of management understanding, if PMCD's authority were understood and spelled out in Agency regulations, and if its decisions could be appealed and reviewed by higher authority, then we believe it could function effectively where it is. The more basic question is, what role and authority should PMCD have?

25. We have reviewed and discussed several recent PMCD surveys with the surveyed components. These components generally felt that PMCD was on target regarding its recommendations on clerical positions. They expressed strong disagreement with PMCD judgments on a number of other positions, particularly upper level positions. The PMCD analysts who conducted the surveys were judged to be dedicated, competent individuals but it was felt that they did not obtain the understanding necessary to make valid judgements regarding

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the significance and the uniqueness of the professional positions being analyzed, nor did they use realistic comparison data. We do not think this is simply management dissatisfaction because it did not get its way. As discussed earlier, we also question the infallibility of PMCD's judgment. This is not intended as criticism of PMCD or its personnel. They are not and cannot be specialists in all the organizations or position fields they are analyzing; therefore, they will make errors in judgment and their decisions should be subject to review and, if necessary, reversal.

26. Many believe that no effective and impartial appeal route exists. The Director of Personnel is uniquely empowered to authenticate and issue staffing complements and is therefore the official appeal route. PMCD reports and recommendations are furnished to components over his signature, however, and the route back lacks at least the appearance of impartiality. Questions could and would be raised about his qualifications to resolve a dispute in detail about a specialized position deep within another Directorate, and such disputes are frequent --31 of the 38 component managers interviewed on this subject had complaints. Moreover, his real means of enforcing other than very important PMCD recommendations is open to question. His authority to authenticate staffing complements is clear. Deputy Directors, however, must determine the allocation of

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staff manpower ceilings among their components and may, within some limits, make shifts in manpower within their Directorate without seeking outside approval. In arguments with other Deputy Directors, the DDA can, and sometimes does, lend invaluable support to the Director of Personnel. Unresolved questions can be and sometimes are taken to the Management Committee and the DCI for resolution. The number of disputes far exceeds the capacity of this channel, however, and most, therefore, are either settled through negotiations--usually in management's favor--or left unresolved.

27. The main problem with the Director of Personnel/DDA: appeal route lies in the number and complexities of the disputes. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates--e.g., the Comptroller or, God forbid, the Inspector General--would face the same set of problems.

28. Efforts are being made, as they have been for years, to reduce the number of differences by improving the quality of PMCD's judgments, improving managers confidence in those judgments and, through negotiations at various levels, to reduce unresolved differences to those few critical cases perhaps

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worthy of Management Committee action. The last, and most effective process, doesn't enhance management confidence in PMCD advice or in the value of the whole exercise, however. One very senior manager said that the subjectivity of the PMCD process is driven home when you reach the negotiating point; "I'll give you two GS-07's for one GS-12." Many other managers have illustrated their doubts about the worth and effectiveness of the whole process by indicating that after months of effort they are able to obtain through negotiation almost everything they wanted. We applaud the efforts to improve the quality, and thereby the acceptability of PMCD judgments. We find little new in these efforts, however, and little in the outcome of similar efforts in the past to justify an expectation that achievable improvements, however desirable, will solve the problems by itself.

29. We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved by better, semi-rotational PMCD staffing and development and implementation of better, more understandable classification standards--i.e., the Factor/Benchmark system. We believe these steps would help, but that most of the fundamental problems would remain. The other choice is--in addition to these steps--to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions.

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30. Whether transfer of staffing complement authenticating authority to the Deputy Directors would degrade, improve or leave unchanged the Agency's performance in job/pay equity and adherence to average grade and other manning restrictions is bound to be a controversial question. Some would regard it as setting the fox to guard the chickens. Others would contend that this, in many cases, describes the present system, and, if coupled with active and adequate monitoring by the Director of Personnel, degradation in performance is by no means an inevitable result. The more optimistic would even contend that providing control of staffing complements to those now responsible for holding average grade, senior slots and supergrades within their allocations would remove any ambiguities that may now exist as to where that responsibility lies; would provide them unambiguous decision authority over a tool important in carrying out these responsibilities, and would improve the relationship between staffing complements and reality by insuring that disputes are decided. PMCD influence on component managers during negotiated settlements might even be increased by the knowledge that unresolved disagreements will be decided at a higher level. Moreover, the fact that the decision will be made by his own superior might make the manager a little less defensive and a little less inclined to employ "snow" tactics.

31. No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent.

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We are persuaded, however, that the risks of serious degradation are not great--and return to the present system would be possible if we are proven wrong. The shift could be an improvement, perhaps an important one, over the present system. We believe other possible changes in the system, such as total decentralization or creation of a supra Directorate appeal authority to be undesirable, impracticable, or both. We therefore conclude that the transfer of authority should be made. The details of our proposals are provided in the Conclusions, starting on page G-26 of this Tab.

Periodic Position Surveys

32. Headquarters Regulation [REDACTED] provides for periodic position surveys to update position information, and to make necessary adjustments in the grade of individual positions and the position structure as a whole. Headquarters Notice [REDACTED] 7 January 1972, established the Position Survey Program with the aim of scheduling and conducting position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. PMCD is charged with conducting the Position Survey Program. In conducting surveys, PMCD is concerned with position management (organizational structure, alignment of functions, number of positions at different skill levels, occupational levels required to carry out missions, ratio of professionals to clericals, number of supervisors to work force, etc.) as well as position classification.

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33. PMCD attaches high importance--and priority--to its periodic survey program. The program provides needed opportunities to study Agency positions in order to improve position classification standards. It generates reviews of positions that may have changed in character, if not in title or grade, since they were last classified. And it provides opportunities to review and make recommendations about the organizational structure of Agency components, some of which PMCD believes badly need such review.

34. Most component managers are extremely critical of the PMCD periodic survey program, however. Many comments deal with subjects discussed earlier--managers reservation about the comparisons used by PMCD to classify positions and about PMCD's ability to understand the unique character of some component positions--the time spent in negotiating differences in how a few positions should be classified--and the fact that unresolved differences are apt to stay unresolved. These comments apply broadly to most PMCD surveys, whether conducted at the components request to authenticate a reorganization or one of the PMCD-initiated periodic surveys. A number of comments apply more specifically to the latter, however.

35. One often-mentioned problem is that PMCD's manning and priority system does not permit an early response to a request for a reorganization-generated survey, or rapid accomplishment of the survey after it starts. PMCD's efforts to meet a three-year cycle of periodic surveys lead to tight scheduling of its limited

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manpower. There is little slack in this schedule and long delays --many months and sometimes a year or two--occur between a component's expression of need for a survey and its commencement. Sometimes this forces components to operate for protracted periods with an outmoded official Table of Organization. In one case we found that a component had deferred a needed reorganization for a year while awaiting a scheduled PMCD periodic survey. Another has long deferred many conversions of contract employees to staff employee status because PMCD is too tightly scheduled to help. Yet the periodic surveys go on. One organization that recently finished such an unsolicited survey pointed out that it occurred in the middle of changing missions and methods of operation, the impacts of which could not be assessed at that time.

36. The PMCD advice received during periodic surveys on organizational structure is of often-questioned value. We attempted, unsuccessfully, to check this by evaluating changes recommended in recent PMCD survey reports. We found that PMCD survey reports include, usually without clear distinction, both their own recommendations and others originated earlier by the component. Thus, the acceptance by managers of recommendations for organization changes made in survey reports is not a good measure of the contribution made by PMCD. Most managers interviewed felt that few of the PMCD-originated organization recommendations were useful. Since they are not obliged to follow these recommendations,

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they found them more annoying and time-consuming than harmful,
however.

37. Many managers questioned the qualifications of PMCD job classifiers to provide detailed recommendations on how a component should organize to carry out its mission. Such PMCD personnel are relatively junior in grade (typically GS-12 or 13), lack Operating Component and senior management experience, and have relatively little exposure to the component's particular problems. Moreover, managers point out that their organization is subject to command review in their Directorate, to program audits by the Audit Staff, and to OIG surveys.

38. We concur with many of the managers views expressed above. We have noted the following consequences of the present periodic survey program.

a. Unresolved differences with PMCD periodic survey findings are sometimes never formally settled after the procedural steps of receiving and commenting upon the survey report. Most of the controversial findings do not result in binding T/O changes or in immediate organizational changes, although PMCD personnel believe many of their rejected recommendations appear later in management-suggested reorganizations. The manager, if supported by the Deputy Director concerned, really determines his organization structure. Therefore we believe the expenditure of 3-6 months of component

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and PMCD efforts at three year intervals for periodic position surveys to be excessive when compared with the specific end results achieved.

b. Competing periodic survey schedules delay the accomplishment of surveys needed to authenticate reorganizations. These delays--and sometimes unresolved differences arising from the periodic surveys themselves--lead components to operate for protracted periods on unofficial T/O's that differ from their official staffing complement. This leads to unnecessary use of misslotting, Personal Rank Assignments and other devices potentially subject to CSC and OMB criticism, misunderstanding, and, perhaps, imposed cuts. Moreover, centrally generated position control information in these cases is inconsistent with the real world. This can mislead senior management and obscure the development of manning problems. It also requires component maintenance of multiple bookkeeping systems for middle management use. In addition, inconsistencies between de facto and official T/O's make middle-level managers uncertain about their slot grades and headroom and generate problems in assignment planning, personnel advancements and morale.

39. We recognize PMCD's need to review a variety of positions in order to maintain and improve its classification standards. We believe such data can be acquired without a full organizational

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review, however. We recognize that over a period of time the duties of a position can change and that it is useful to management to have PMCD periodically review positions to validate their classification. We believe that static organizations should be subject to such reviews--but at intervals considerably longer than three years. These reviews should not, however, be accorded priority over the more immediate classification needs of rapidly changing organizations. Lastly, we believe PMCD should restrict its organizational recommendations to those cases where the organization structure has a dominating impact upon the classification of the positions involved.

Conclusions

Conclusion G-1. Authority should be delegated to Deputy Directors to modify and authenticate staffing complements (T/O's) within the limits of Directorate allocations of staff manpower ceilings, senior slots (GS-14 and higher) and average grade. This authority should be qualified by a requirement that recommendations by PMCD representatives regarding changes in the grades of existing positions or the assignment of grades to new or significantly altered positions be considered by component managers and, if unresolved, by the Deputy Director before such changes are effected.

- a. To accomplish the second part of this it is essential that PMCD be involved before a significant reorganization is

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effected. Provisions should also be included for PMCD, when deemed necessary by the Director of Personnel, to review and reassess the grades of new or significantly altered positions after six months or so of experience with the new organization. In some cases the Director of Personnel may decide that a survey of all positions in the new organization is needed. PMCD recommendations arising from such position reviews or reorganization surveys (or from periodic and special surveys discussed in Conclusion G-5 below) should be considered by the component manager and, if unresolved, by the Deputy Director within a specified, short time interval after the recommendations are made.

b. Since supergrade positions are directly controlled by the DCI, and since a new system for handling supergrade problems is being considered by the Management Committee, they have not been specifically included in this conclusion. Consideration should be given, if this proposal is adopted, to similar modification of the way supergrade positions are handled, however.

Conclusion G-2. The Director of Personnel, acting for the DCI, should be required to monitor Directorate and DCI Area adherence to equal pay for equal work (job/pay equity) principles and to allocated manning, average grade and senior slot limits, and to recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

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Conclusion G-3. In the area of position grade evaluations, PMCD should:

- a. Develop and maintain standards for position evaluation use.
- b. Participate in and advise on all position evaluations.
- c. Insure that unresolved differences with component managers over position evaluations are brought to the responsible Deputy Director for decision.
- d. Inform the Director of Personnel in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies--e.g. pay scales for senior secretaries.

Conclusion G-4. With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- a. Establish staffing complement formats.
- b. Compile, produce and disseminate staffing complements authenticated by the Deputy Directors and produce and disseminate related management information reports.
- c. Report to the Deputy Director concerned and to the Director of Personnel any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorate's allocations of manning, senior slots or average grade.

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Conclusion G-5. PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

a. PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.

b. The Director of Personnel should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.

c. Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance.

d. During all surveys, PMCD should restrict its recommendations regarding the organization and management of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.

e. PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

Conclusion G-6. PMCD should accelerate the development and trial implementation of improved position evaluation standards and methods similar to the Factor/Benchmark system now being

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developed by CSC for government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

Conclusion G-7. The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

a. It is important to note that PMCD manning must permit prompt and rapid service of component needs.

b. A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.

c. Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the tours can be long enough for the rotating personnel to develop and use job classification expertise.

Recommendations

Recommendation No. 7. That the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before effecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade.

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Recommendation No. 8. That the Director of Personnel monitor Directorate and DCI Area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned.

Recommendation No. 9. That the Director of Personnel revise PMCD procedures, position surveys, scheduling, and manpower as indicated in Conclusions G-3 through G-7 above.

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TAB F

CLERICAL CAREER MANAGEMENT

1. The clerical management problem is primarily one of limited promotion opportunities. Strongly adverse views of many component managers about Office of Personnel (particularly PMCD) activities in this area indicated the desirability of treating the subject separately in this report. In many respects, however, this discussion is an extension of that found in Tab G, Position Management and Compensation.

2. Opportunities for clerical advancement are limited by the low (as compared to professional) General Schedule (GS) grade structures established for clerical positions and by limited opportunities for clericals to move into semi-professional or professional positions which require skills which many clerical employees do not generally possess. Moreover, some qualified clericals, particularly secretaries, like their jobs and desire to remain in their chosen field.

3. Non-secretarial clerical positions such as registry or mail room clerks are generally limited to the GS-05/07 grade level with a supervisor one step higher. In the secretarial field the Agency follows a pattern system based on the organizational level and grade of the supervisors position. Few senior secretaries can hope to obtain positions at grades higher

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than GS-07, or, perhaps GS-09. Since clerical grade level structures are limited to begin with, a competent individual who enters on duty as a GS-04/05 may be promoted to GS-07 or even GS-09 relatively early in his/her career. Thereafter the prospects for further promotion are dim; morale sometimes suffers.

4. Agency managers empathize with clericals on promotion headroom problems. They are particularly concerned over the established secretarial pattern as it affects senior secretarial positions. Many view their secretaries as highly competent, indispensable members of their management team. An analyst or case officer may be easily replaced or others can take over the workload, but the manager's secretary, who, in some cases, is fulfilling the role of an office manager, is irreplaceable. Therefore, it is understandable that managers want to reward their secretaries with promotions. They desire to accord them grade levels which, in their opinion, equate to their value in comparison to the professional members of the team.

5. During 1974/75, the senior secretary problem was the subject of several Management Committee discussions. In sum, the Management Committee concluded that the Agency secretarial pattern system should be continued as a guide in determining pay levels for secretaries, that the Directorates should submit

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recommendations for secretarial upgrading to OP, PMCD for review in those cases where components judged upgradings to be justified and that perhaps the term senior secretary is a misnomer in describing some secretarial positions, particularly overseas, and that a new job or position category be considered that more accurately describes the many duties such secretaries or office managers are called upon to perform.

6. As a result of the above Management Committee directive, PMCD conducted a review of 62 secretarial positions recommended for upgrading by the career services. In conducting its review, PMCD utilized comparison data obtained from the Civil Service Commission, other government agencies and private industry. PMCD concluded that following "equal pay for equal work" principles, upgradings were justified in only a few instances and that CIA secretaries, in general, are paid comparably or better than their counterparts in industry or other government agencies. PMCD also found that, aside from promotion limitations, factors such as under-utilization, promotion policies and professional treatment of clericals were contributing factors to dissatisfaction. As a result of the present inspection, we endorse these PMCD findings. As stated in Tab G, we conclude that PMCD's enforcement of job/pay equity for secretarial and clerical positions is very effective despite frequent and strong management opposition.

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The clerical field is one in which "equal pay for equal work" standards can be readily established due to the similarity of clerical duties at different levels. Moreover, in most, if not all cases, valid comparisons can be made with similar positions elsewhere in government and industry.

7. We have no specific recommendations for Office of Personnel actions to improve Agency clerical career management. We applaud the successful efforts of the Office of Personnel to generate separate and special consideration of clerical personnel within the career services. We have considered, as have many others, the establishment of an Agency-wide clerical career service. The intent of such a career service would be to broaden opportunities for competitive cross-Directorate movement of clericals to better positions. However, we believe that the advantages of broader access to the very few positions at grades above the GS-07's and GS-09's available in the individual career services are limited, and real achievement of such broad access by this mechanism is dubious. Some mechanisms, particularly vacancy notices, now provide broad access in some cases. Thus, we conclude that the likely advantages of a single career service for clerical personnel, or just for senior secretaries, would not offset the complexities and difficulties generated by its creation.

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8. We believe that more attention should be focused on alleviating problems encountered by PMCD during its senior secretary survey which are perhaps more serious than advancement opportunities, e.g., secretarial utilization, management attitudes, recognition, etc. Further, we believe that managers need to obtain a better understanding of the limits on what a government employer can do to improve the pay status of its secretarial personnel. We suggest that these topics be included in the management course recommended in Tab H.

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